

April 10, 2008

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: WC Docket No. 05-337
CC Docket No. 96-45

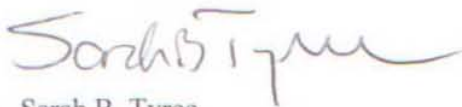
Dear Ms. Dortch:

On April 9, 2008 Ted Koerner, Heather Thompson, Rob West, and I of CoBank met with separately with Scott Bergmann, Scott Deutchman, and Chris Moore to discuss CoBank and the Notice of Proposed Rulemaking Regarding the Identical Support Rule, the Use of Reverse Auctions to Set High-Cost Universal Service Support and the Federal-State Joint Board on Universal Service's Recommendation for Comprehensive Reform of High-Cost Universal Service Support. We also met on this topic with Jeremy Marcus, Jennifer McKee, Marcus Maher, and Amy Bender in one meeting and with Nick Alexander, Ted Burmeister, Katie King and Gary Seigel in another meeting.

Specifically, we distributed background information on CoBank's role in lending to rural communications companies. We explained our support for the elimination of the identical support rule and our concerns about the merits of using reverse auctions to determine high-cost universal service support funding to competitive eligible telecommunications companies. The attached documents were distributed in the meetings.

Questions regarding this subject may be addressed to me.

Sincerely,



Sarah B. Tyree
Assistant Vice President
Government Affairs

Attachments

RURAL AMERICA'S COOPERATIVE BANK

With \$41 billion in assets, COBANK has been a leading lender to some of America's most successful businesses since 1916. We provide financial services to cooperatives, agribusinesses, rural communications, energy and water systems, Farm Credit associations and other businesses serving rural America. In addition, we finance agricultural exports and deliver international banking services.

Our Services

COBANK offers a broad range of flexible loan programs and specially tailored financial services to our customers. COBANK provides short-, intermediate- and long-term financing at variable and fixed interest rates. The bank offers CoLink® online financial solutions, CoTradeSM electronic trade tool, letters of credit, and interest rate risk management services. COBANK's Applied Strategic Knowledge group works with our customers' boards of directors to assist with their strategic initiatives. We offer leasing through our wholly owned subsidiary, Farm Credit Leasing (FCL). Through strategic alliances, we offer cash management services, private placements, equity sourcing, asset securitization services and tax-exempt bond financing. COBANK also finances agricultural exports and provides international banking services.

Our Ownership Structure

The bank is owned by its U.S. customer-owners, approximately 2,300 agricultural cooperatives, rural communications, energy and water systems, Farm Credit associations, and other businesses serving rural America. COBANK is governed by a board of directors elected by the cooperative owners of the bank. The board may appoint up to two additional directors (customer affiliation allowed) and must appoint at least two outside directors (independent of any affiliation), but not more than three. The bank operates on a cooperative basis and, historically, has returned a substantial portion of bank earnings to the bank's patronage customers in the form of patronage distributions.

Our Customers

COBANK's customers include local, regional and national agricultural cooperatives, rural communications, energy, water and waste disposal systems, Farm Credit associations, and other businesses serving rural America.

Agricultural cooperatives process, market, transport and export products as diverse as fruits, vegetables, grains and fish. Others specialize in farm supply products, such as feed and fertilizer. Farm Credit associations or Agricultural Credit Associations (ACAs) provide financial services to farmers, agricultural and aquatic producers and rural homeowners. COBANK also finances agricultural exports.

In addition, we work with commercial banks and other Farm Credit institutions to syndicate loans, and we often act as an agent for these transactions. We buy and sell loan participations with other Farm Credit System banks and associations. We may also purchase interests in loans made by other financial institutions when they are related to agribusiness, ag trade, electric, telecommunications, water and waste disposal industries.

Our Funding

COBANK is part of the Farm Credit System, a \$163-billion nationwide network of lending institutions created by Congress in 1916. The funds to finance COBANK loans and leases primarily come from the sale of Farm Credit System securities to investors in the national and international money markets. Because of the market acceptance and attractiveness of Farm Credit securities and the volume of funds raised, COBANK offers competitive interest rates.

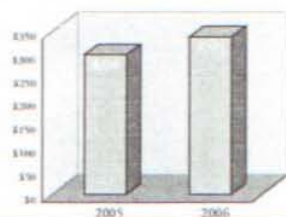
Our Office Locations

COBANK has banking centers across the United States and two international representative offices. Our national office is located in Denver, Colo., phone 1 (800) 542-8072 or (303) 740-4000. For more information, please visit www.cobank.com.

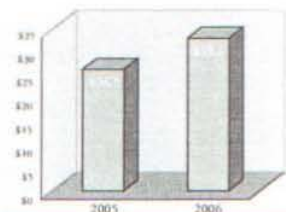
LOANS/LEASES OUTSTANDING \$33.1 BILLION



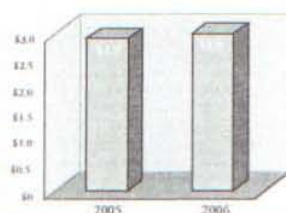
NET INCOME (\$ IN MILLIONS)



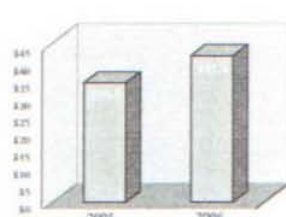
LOANS/LEASES OUTSTANDING (\$ IN BILLIONS)



CAPITAL (\$ IN BILLIONS)



TOTAL ASSETS (\$ IN BILLIONS)



Financial information as of Dec. 31, 2006

RACB HT 2.1K 4/07

COBANK
Rural America's Cooperative Bank

FINANCIAL SOLUTIONS FOR COMMUNICATIONS COMPANIES

Since 1916, COBANK has been rural America's trusted financial partner. Today, COBANK is well-positioned to serve the communications industry's financing needs. We offer a wide array of solutions that can enhance your company's bottom line.

The rural communications industry demands capital for acquisitions, upgrades and new service offerings. COBANK stands ready to work with strong companies with solid business plans.

More than 200 rural communications companies across the U.S. work with COBANK. We provide \$3.4 billion in loan commitments to the industry. COBANK is committed to meeting the financial needs of rural America's communications companies.

Meeting Your Capital Needs

COBANK offers a broad range of flexible loan programs. Whether your business is small, large or somewhere in between, our relationship managers can design a loan structure to fit your organization's goals.

COBANK offers a variety of competitive interest rate alternatives—including fixed and variable rates—and alternative interest rate management and hedging tools. We provide short-term financing for working capital and general corporate purposes. Intermediate- and long-term loans can bring you the capital you need to construct new facilities, upgrade or expand existing facilities, and make acquisitions.

Meeting the capital needs of a growing industry can be challenging—capacity is critical. As part of the \$186 billion Farm Credit System, we work with other Farm Credit System institutions, as well as commercial banks, to bring you the level of capital you require. We enhance our own knowledge and experience by investing in loans made by other financial institutions to the communications industry.

Saving You Time and Money

COBANK *Cash Manager* provides a full suite of cash management services integrated

with your COBANK loans and investments. These services help you maximize the value of idle cash, increase financial control and save time. Services include controlled disbursement checking, ACH processing, account reconciliation, merchant card services, positive pay, lockbox, electronic check deposit services, commercial cards, check imaging on CD-ROM, detailed online reporting and AIM institutional money market funds—each offered through alliances with some of the nation's leading financial providers. All activities are seamless and integrated using *CoLink*, COBANK's Internet delivery channel. COBANK *Credit Manager*, a free online service, gives you the ability to view investment rates, pay down your loan electronically and initiate transfers and rate fixes online.

Saving Costs Through Leasing

Leasing can help you better manage cash flow, use capital more effectively, and avoid equipment obsolescence. COBANK can meet your leasing needs through our wholly-owned subsidiary, Farm Credit Leasing Services Corporation (FCL). FCL leases a wide range of equipment that is essential to the business operations of our customers. We lease fleet vehicles and other transportation equipment, switching and other central office equipment, broadband equipment, information technology systems, mapping systems and construction equipment including bucket trucks, trenchers and backhoes.

Working With Your Industry

COBANK plays an active role in more than 55 communications industry associations and other organizations nationwide. We participate in conferences, serve on committees and boards, and support industry programs that help us stay ahead of the curve on issues facing rural communications companies. COBANK is a member of the National Telecommunications Cooperative Association (NTCA), Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO), United States Telecom Association (USTA), Rural Independent Competitive Alliance (RICA),

Communications

Commitments by Industry - \$3.4 Billion



74%	Local Exchange Carrier
11%	Wireless
12%	Cable Television
3%	Competitive Local Exchange Carrier

National Cable Television Association (NCTA), each of the regional and state telecommunications associations and other industry organizations, such as the TELERGEE Alliance, American Cable Association (ACA), and the Coalition to Keep America Connected.

About COBANK

COBANK specializes in communications, energy, water, agribusiness, cooperative, Farm Credit association, and agricultural export financing. For nearly a century, some of America's most successful businesses have turned to COBANK as their primary source of financial services. Today, COBANK provides \$40.5 billion in loans and leases outstanding to approximately 2,300 customer-owners across the U.S. The bank has \$52.2 billion in assets and \$3.7 billion in capital.

Since COBANK is owned by its U.S. customers, the bank's customer-owners benefit directly from the bank's financial success. In 2008, COBANK paid customer-owners \$245 million in cash for both stock retirements and cash patronage for the 2007 year. Patronage distributions for 2007 represent an 20.9 percent return on average invested capital for customer-owners.

For more information about COBANK, please call 1 (800) 542-8072, or visit www.cobank.com.

COBANK
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Data as of Dec. 31, 2007

Camm Facts 08 4/08